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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000861

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TAGS: [PREL](#) [PGOV](#) [EAGR](#) [ETRD](#) [JA](#) [TW](#)  
SUBJECT: FOREIGN MINISTER OU AND DIRECTOR DISCUSS TAIWAN  
FOREIGN POLICY AND BILATERAL ISSUES

REF: TAIPEI 727

Classified By: AIT Director Stephen M. Young,  
Reason 1.4 (b/d)

¶1. (C) Summary: During an introductory call by DIR on June 18, Foreign Minister Francisco Ou expressed appreciation to the U.S. for its sustained support of Taiwan. Ou stressed that Taipei wants to rebuild mutual trust with the U.S. following strains during the Chen administration, and he expressed hope for higher level U.S.-Taiwan exchanges in the future. Ou said Taiwan will work to maintain its existing diplomatic partnerships but does not intend to engage in a zero-sum competition with Beijing over winning recognition from other small countries. Taipei will also take a lower key approach to expanding its participation in international organizations that focuses on yielding practical rather than symbolic results. Ou suggested that the recent dispute with Japan over the sinking of a Taiwan fishing vessel off the coast of the contested Diaoyutai (Senkaku) Islands will wind down in the next few days. End Summary.

#### U.S.-Taiwan Relations

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¶2. (C) On June 18, the Director paid an introductory call on Foreign Minister Francisco Ou to discuss the Ma administration's foreign policy and current bilateral issues. Ou was accompanied by North American Affairs Department (NAAD) Director General Harry Tseng and NAAD Section Chief Douglas Hsu. The Director congratulated Ou on his appointment and conveyed Washington's greetings to President Ma Ying-jeou and his foreign policy team. With Ma's election as the latest visible sign of Taiwan's ongoing democratic development, the Director stressed Taipei has a good story to tell to its friends around the world. Ou responded that with Ma's inauguration the U.S. and Taiwan can rebuild mutual trust following past difficulties during the Chen administration. Taiwan hopes to work closely with the U.S. in areas of common interest and appreciates all the U.S. has done for Taiwan in the past. Ou stressed that the Ma administration hopes to further strengthen its already high level of security cooperation and dialogue with the U.S.

#### "Diplomatic Truce"

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¶3. (C) Ou told the Director that the Ma administration

wants to stop the battle with China for diplomatic recognition by small states. Taiwan plans to focus its resources on stabilizing relations with existing diplomatic partners rather than wooing new allies. The Chen administration's more aggressive policy, Ou added, proved ineffective, serving only to agitate China and leading to a net loss of countries that formally recognize Taiwan.

14. (C) Although Taiwan faces some challenges in holding on to partners such as Nicaragua, Panama, and Paraguay, Ou said he does not currently foresee any sudden movement toward Beijing. Recent reports from Taiwan's ambassadors to Central America have been positive and suggest the status quo will hold for now. Ou pointed to the example of Paraguay President-elect Lugo, who canceled the China leg of a planned trip to the region, as an indication that Paraguay has not yet made a final decision to switch recognition to Beijing. Taipei is still assessing whether Ma will personally take up the invitation to attend Lugo's inauguration in August, he added.

#### International Organizations

15. (C) Ou stressed that Taiwan will also employ a "lower-key" approach to multilateral relations, focusing on gaining meaningful participation in specialized functional organizations. Under the principles of "dignity and pragmatism," Taiwan can be flexible and put substance above issues of nomenclature and form. Ou suggested Ma does not intend to pursue high-profile symbolic efforts, such as

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applying for UN membership, which have yielded little meaningful results in recent years.

16. (C) The Director told Ou that the U.S. remains committed to strengthening cooperation with Taiwan so that it can play a meaningful role in international organizations such as the WHO, OECD, OIE, and ICAO that could benefit from Taiwan's participation. Ou thanked the Director for U.S. support. He noted that although Taipei has perceived a certain degree of goodwill in the recent remarks of Chinese President Hu Jintao, PRC officials working on IO issues have yet to show the same degree of generosity.

#### Diaoyutai Tempest Winding Down

17. (C) Turning to the ongoing dispute between Taipei and Tokyo over the recent sinking of a Taiwan fishing vessel near the disputed Diaoyutai (Senkaku) Islands, Ou predicted the crisis would come to an end shortly. Ou commended Tadashi Ikeda, Japan's representative to Taiwan, for working hard and closely with Taipei to help resolve the issue. Although Japan may not issue a formal "apology" to the Taiwan fishermen, Ou expected the issue to die down once negotiations over compensation begin to move forward. Ou noted that his ministry yesterday issued a press release saying that the term ("regret") used by the Japanese implies "apology" in order to calm down emotions which have been running high in Taiwan.

#### Comment

18. (C) Despite facing heavy challenges, including most recently over criticism of his ministry's handling of the Diaoyutai incident, Ou appeared relatively upbeat and optimistic. Under the Ma administration, Taiwan will hope to make some foreign policy gains, especially in international organizations, by taking a practical and low-key approach that avoids confrontation with Beijing. Ou also emphasized the priority of rebuilding trust with the U.S. and strengthening our bilateral relationship.

YOUNG